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MICHIGAN LABOR MARKET REVIEW

JOB SERVICE
Michigan Employment Security Commission

MICHIGAN'S JOBLESS RATE RISES DURING THE MONTH

The statewide unemployment rate advanced by three-tenths of a percentage point as the jobless rate increased from 6.8 percent in November to 7.1 percent in December. The rate rise represents 12,000 additional individuals out of work, as total state residents seeking employment climbed to 327,000. The increase in joblessness was primarily a result of seasonal decreases at educational facilities. Total employment in December registered a decline as the number of employed state residents slipped by 22,000 to reach 327,000. Additionally, the civilian labor force fell to 5,372,000, a decrease of 40,000. Compared with a year ago, employment in Michigan has jumped by 166,000, while the size of the labor force has grown by 121,000. In December 1987, the total number of persons out of work amounted to 372,000, representing an unemployment rate of 8.2 percent.

EMPLOYMENT LEVEL FALLS

Total nonagricultural wage and salary employment in Michigan dropped as industry jobs fell to 3,827,000 in December. Employment opportunities decreased by approximately 27,000 as losses were centered in both the goods producing and service producing sectors of the economy. Total employment in the goods producing industries declined by 5,000 primarily as a result of seasonal cutbacks in the construction industry. Service producing employment contracted by 21,000 to 2,734,000 in December, as governmental losses offset traditional retail trade gains. Public sector positions plunged by 28,000 as educational facilities shutdown for the holiday season. Since December 1987, industry employment in Michigan has increased by 51,000 positions or 1.4 percent. Approximately 53,000 service producing jobs have been added throughout the year, while goods producing employment dropped by 2,000.

Civilian Labor Force, Employment, and Unemployment Estimates

State of Michigan

	Dec. 1988	Nov. 1988	Oct. 1988	Dec. 1987
PLACE OF RESIDENCE				
Civilian Labor Force	4612	4652	4596	4491
Employment	4285	4337	4291	4119
Unemployment	327	315	305	372
Rate	7.1	6.8	6.6	8.3
PLACE OF WORK				
Wage and Salary Employment	3827	3854	3809	3776
Goods Producing Industries	1093	1099	1099	1095
Construction and Mining	144	152	156	133
Mining	10	10	10	10
Construction	134	142	146	123
Special Trade Contractors	90	93	95	82
Other Construction	44	49	51	41
Manufacturing	949	947	943	962
Durable Goods	724	722	718	739
Lumber and Wood Products	13	13	13	13
Furniture and Fixtures	34	34	34	32
Stone, Clay and Glass Products	19	19	18	17
Metals	169	169	167	169
Primary Metals	50	50	49	49
Fabricated Metals	120	119	118	120
Nonelectrical Machinery	122	122	121	122
Electrical Machinery	34	35	35	37
Transportation Equipment	310	308	308	326
Motor Vehicles and Equipment	290	288	287	305
Other Transportation Equipment	20	20	20	21
Other Durable Goods	23	23	22	22
Nondurable Goods	225	225	225	223
Food and Kindred Products	43	45	47	45
Textiles and Apparel	22	21	21	22
Paper and Allied Products	20	20	20	20
Printing and Publishing	41	41	41	40
Chemicals and Petroleum	45	44	44	44
Other Nondurable Goods	54	54	53	52
Rubber and Plastic Prod.	51	51	50	49
Leather Products	3	3	2	2
Service Producing Industries	2734	2755	2710	2682
Trans., Comm. and Utilities	154	153	153	151
Transportation and Utilities	118	117	117	115
Communications	36	36	36	36
Wholesale Trade	194	193	193	189
Durable Goods	123	121	121	119
Nondurable Goods	72	72	72	70
Retail Trade	716	702	694	705
General Merchandise Stores	107	102	96	111
Food Stores	107	106	105	97
Automotive Dealers and Services	75	74	74	75
Eating and Drinking Places	232	232	235	232
Other Retail Trade	197	188	184	190
Finance, Insurance and Real Estate	186	185	184	183
Finance	95	94	94	92
Insurance and Real Estate	90	90	90	91
Services	847	848	848	819
Business Services	180	180	180	175
Health Services	272	272	272	267
Other Services	395	396	396	377
Government	637	675	638	635
Federal	63	62	62	62
State	168	170	170	163
Local	406	443	406	410

CIVILIAN LABOR FORCE data are based on the monthly Current Population Survey of the U.S. Bureau of Labor Statistics - 1987 Benchmark.
WAGE AND SALARY EMPLOYMENT is based on a monthly sample of employing establishments as part of the cooperative federal-state Current Employment Statistics program - March 1987 Benchmark.

CLAIMS ACTIVITY

The number of individuals collecting regular unemployment benefits increased for the second consecutive month in December. The regular benefits claims load averaged 97,569 per week during the month, approximately 15,341 more than the November total.

The 19 percent decrease was primarily due to seasonal employment decreases throughout the state. In December 1987, the number of claimants drawing benefits under the regular benefit program averaged 128,729.

WEEKLY CLAIMS FOR UNEMPLOYMENT INSURANCE

Week Ending	Michigan			Detroit		
	Total	Initial	Continued	Total	Initial	Continued
December 03, 1988	104,400	15,200	89,200	44,600	5,900	38,700
December 10, 1988	112,900	17,400	95,500	49,100	7,000	42,100
December 17, 1988	123,600	18,100	105,500	53,900	7,600	46,300
December 24, 1988	134,500	24,400	110,100	58,300	10,500	47,800
December 31, 1988	134,800	30,600	104,200	56,400	11,800	44,600

DETROIT AREA PRICES DECLINE

Consumer prices in the Detroit metropolitan area decreased from 118.6 in October to 118.3 in December. The decrease in Detroit area prices was primarily due to lower costs for clothing and housing. Prices in the area climbed by 5.1 percent since December 1987, when the consumer price index stood at 112.4. At the national level, the cost of living advanced by two-tenths of a percent to reach 120.5 during the month.

The higher national prices were due to additional costs for medical care and housing. Between December 1987 and December 1988, national consumer prices increased by 4.4 percent. One year ago, the national index registered 115.4. Note: Beginning in January 1988, the Consumer Price Indexes were shifted to a new reference base year. All indexes expressed on a 1967=100, were rebased to 1982-1984=100.

HOURS AND EARNINGS

The average workweek of Michigan workers in manufacturing industries increased to 44.7 hours in December. The increase occurred primarily as a result of additional hours worked by most individuals in the manufacturing sector.

During the month, average hourly earnings advanced by fourteen cents to $13.53, while average weekly earnings climbed by $11.61 to total $604.79. In December 1987, earnings averaged $13.22 an hour or $569.78 per week for a 43.1 hour workweek.

MICHIGAN'S HOURS AND EARNINGS

Industry	Average Weekly Earnings a/			Average Weekly Hours a/			Average Hourly Earnings a/		
	Dec 1988	Nov 1988	Dec 1987	Dec 1988	Nov 1988	Dec 1987	Dec 1988	Nov 1988	Dec 1987
TOTAL MANUFACTURING	$604.79	$593.18	$569.78	44.7	44.3	43.1	$13.53	$13.39	$13.22
DURABLE GOODS	643.32	628.54	597.97	45.4	44.8	43.3	14.17	14.03	13.81
Primary Metal Products	619.69	607.42	588.23	45.2	44.5	43.8	13.71	13.65	13.43
Fabricated Metal Products	599.40	587.84	563.32	44.4	44.0	43.1	13.50	13.36	13.07
Nonelectrical Machinery	621.85	612.88	589.19	46.2	45.5	44.3	13.46	13.47	13.30
Electrical Machinery	518.65	502.87	489.60	45.1	44.7	42.5	11.50	11.25	11.52
Motor Vehicles & Equip.	771.97	749.36	686.88	46.9	46.2	43.2	16.46	16.22	15.90
NONDURABLE GOODS	476.85	472.34	469.95	42.5	42.4	42.3	11.22	11.14	11.11
Contract Construction	612.97	610.61	583.18	38.6	38.5	37.6	15.88	15.86	15.51
Department Stores	196.52	185.08	181.44	29.2	28.0	28.8	6.73	6.61	6.30

a/ Average weekly and hourly earnings are computed from aggregates of individual establishment reports utilizing the total amount paid to production workers and total production hours. Average weekly and hourly earnings differ from weekly and hourly rates in that they are affected by overtime wage rates, part-time earnings, the length of the workweek, etc.

Note: *Current month data are preliminary.*

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ESTIMATES
DECEMBER 1988 (Preliminary)

Area	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
United States	122,120,000	115,978,000	6,142,000	5.0
Michigan	4,612,000	4,285,000	327,000	7.1
Major Labor Markets				
Ann Arbor MSA	166,700	161,500	5,200	3.1
Battle Creek MSA	65,700	61,400	4,300	6.5
Benton Harbor MSA	79,400	73,900	5,500	6.9
Detroit MSA	2,214,000	2,061,000	153,000	6.9
Flint MSA	194,100	174,500	19,700	10.1
Grand Rapids MSA	368,100	346,100	21,900	6.0
Jackson MSA	65,200	60,400	4,900	7.4
Kalamazoo MSA	119,200	113,700	5,500	4.6
Lansing MSA	245,100	232,000	13,200	5.4
Muskegon MSA	68,800	62,600	6,200	9.1
Saginaw-Bay-Midland MSA	190,100	177,800	12,300	6.5
Upper Peninsula LMA	133,000	120,000	12,900	9.7
Major Counties (15,000+)				
Allegan	55,750	52,650	3,100	5.6
Barry	21,725	20,100	1,625	7.5
Bay	55,375	51,000	4,375	7.9
Branch	18,000	16,475	1,525	8.4
Cass	23,525	22,200	1,325	5.6
Clinton	30,300	28,700	1,600	5.3
Delta	15,950	14,600	1,350	8.4
Eaton	52,825	50,375	2,450	4.6
Grand Traverse	35,400	32,525	2,875	8.2
Gratiot	17,925	16,450	1,475	8.2
Hillsdale	20,125	18,575	1,550	7.7
Huron	16,050	14,575	1,500	9.3
Ingham	162,000	152,875	9,125	5.6
Ionia	19,100	17,375	1,725	9.1
Isabella	29,500	27,950	1,525	5.2
Kent	271,425	254,850	16,575	6.1
Lapeer	33,350	30,225	3,125	9.4
Lenawee	43,125	40,025	3,100	7.2
Livingston	52,850	50,025	2,825	5.3
Macomb	381,225	356,175	25,050	6.6
Marquette	29,025	27,025	2,000	6.9
Midland	36,125	34,125	2,000	5.5
Monroe	63,350	59,475	3,875	6.1
Montcalm	21,675	19,225	2,450	11.3
Newaygo	17,250	15,700	1,525	8.9
Oakland	583,325	551,250	32,075	5.5
Ottawa	96,625	91,275	5,350	5.5
Saginaw	98,625	92,650	5,975	6.1
St. Clair	68,150	60,925	7,200	10.6
St. Joseph	27,425	25,325	2,075	7.6
Sanilac	20,000	18,150	1,875	9.3
Shiawassee	34,600	32,000	2,600	7.5
Tuscola	22,975	20,850	2,100	9.2
Van Buren	31,625	28,300	3,325	10.5
Wayne	1,031,400	952,500	78,900	7.6

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